

REMARKS

In view of the following remarks responsive to the non-final Office Action dated January 10, 2007, Applicant respectfully requests favorable reconsideration of this application.

The present invention is a computer program for determining whether to classify assets as capital assets or expensed assets. In accordance with the invention, assets are classified as capital or expensed assets by determining the average cost of all models of the given machine type to which the particular asset belongs and comparing that average cost to a predetermined minimum value. All assets of a machine type having an average value that is greater than or equal to the minimum capitalization value are classified as capital assets, while all assets of a machine type having an average value below the minimum capitalization value are classified as expensed assets.

In response to the previous Office Action, in which the Office rejected claims 1 and 9 as obvious over IA in view of Owens, Applicant traversed arguing that, contrary to the Office's assertions, IA did not disclose assigning an average value to a machine type or basing the decision of whether to expense or capitalize an asset based on this average.

The Office conceded this point insofar as the Office has withdrawn that rejection and asserted a new ground for rejecting claims 1 and 9 based on a combination of IA, O'Brien, and Owens. Specifically, the Office conceded that "IA does not explicitly disclose assigning with respect to each of the plurality of machine types an average

value of the model of said machine type independent of the value of the acquired asset". However, the Office now asserts that O'Brien teaches this feature because it teaches a benchmark value which is a numerical or financial value and that the numerical value can be aggregated, averaged, or otherwise manipulated or processed. The Office referred to paragraphs 15, 16, 159, and 162 as relevant to this issue.

Applicant respectfully traverses.

First, it should be noted that, in the sentence of paragraph 162 that reads "In a preferred embodiment, the benchmark value will be a numerical or financial value", the term "financial value" does not refer to the financial value of an asset. Rather, the term "value" is being used in the mathematical sense to denote a specific value assigned to a variable (e.g., the variable is "vehicle color" and the value is "green"). A review of paragraph 162 can lead to no other reasonable conclusion and there is nothing in the Office's description of O'Brien that suggests that the Office is assuming otherwise. However, this point is expressly mentioned because this understanding of the language of paragraph 162 is assumed in the following discussion.

Particularly, Applicant concedes that O'Brien discloses benchmarking assets of a particular type and that the benchmark may be a numerical or financial value that may be aggregated or averaged.

However, this does not amount to a teaching of the claimed subject matter, i.e., "assigning with respect to each of a plurality of machine types an average value of a model of said machine type independent of a value of said acquired asset".

Specifically, O'Brien does not teach that the benchmark numerical value or financial

value (which may be an average value) is “an average value of a model of said machine type independent of a value of said acquired asset”, as claimed.

First, there clearly is no express disclosure in O'Brien that the benchmark value is such. In fact, O'Brien, when read in its entirety, suggests the opposite, i.e., that O'Brien contemplates many relevant numerical and financial data quite apart from the average value of asset of a given machine type. For instance, the entire point of O'Brien is nicely summarized in paragraphs 15 and 16 of the Summary of the Invention section that the Office itself referred to, where it states:

Benchmarking can focus on past cost and utilization information and how such information relates to the proper use and maintenance of such assets. Benchmarking can also incorporate a prospective view, such as when a particular type of model of an asset is being considered for procurement.

The system can be used to determine the total cost of owning an asset over the lifetime of an asset. The system can predict the annual costs relating to a particular asset. The system can calculate the average cost per hour relating to a particular asset. The system can receive, store, analyze, and benchmark characteristics or attributes of an asset such as: the type of asset (the type or model); the various functions of an asset; usage information, including the number of hours used per year; plant activity information, such as shifts used and hours available; maintenance information, including the type of maintenance performed and how often; the year the item was manufactured; and any other information relating to an asset that can be tracked, stored, and used for benchmarking against other assets.

Thus, quite clearly, O'Brien is focused on after-purchase costs of owning an asset.

Furthermore, the very example discussed in detail in paragraphs 159-162 teaches away from the present invention. Particularly, paragraph 159 discusses benchmarking vehicles having carrying capacity. In this specific example, fork lifts as well as helicopters belong to this group (paragraph 160). Clearly, having information as

to the average cost of all vehicles having carrying capacity, including forklifts and helicopters, is not the type of information that would come to mind to a person of skill in the art reading O'Brien as the type of benchmark data contemplated by O'Brien.

Thus, O'Brien does not teach that for which it has been cited.

Furthermore, even if O'Brien did teach benchmarking the average value of assets of a machine type, it would not be properly combinable with IA to result in the present invention, in any event. Particularly, a teaching of collecting data for benchmarking does not constitute a teaching of using that data to determine whether to expense or capitalize an asset.

The Office is making a piecemeal combination of two references without a basis in the prior art for doing so and is clearly using improper hindsight reconstruction to arrive at the present invention. Clearly, in order for the present invention to be obvious, there must be some teaching in the prior art of using the average cost of assets of a particular machine type as the criterion for whether to capitalize or expense an asset.

The Office has already conceded that this is not found in IA. The Office does not contend that it is found in O'Brien. The Office contends only that O'Brien teaches calculating an average value of assets of a particular machine type and using it for some completely different purpose (and, as discussed above, applicant contends that O'Brien does not even teach this much). This simply is insufficient to lead someone of skill in the related arts having knowledge of IA to use average value of assets of a particular machine type to determine whether to expense or capitalize an asset.

Accordingly, claim 1 distinguishes over the prior art of record because the prior art does not suggest (a) "assigning with respect to each of a plurality of machine types an average value of a model of said machine type independent of a value of said acquired asset" or (b) "if said average value for said machine type of said acquired asset is greater than or equal to said minimum capitalization value, classifying said asset as a capital asset and, if said average value for said machine type of said acquired asset is less than said minimum capitalization value, classifying said asset as an expensed asset".

Independent claim 9 includes similar distinguishing language as that discussed above in connection with claim 1. Particularly, claim 9 includes the step "(7) comparing said average value found in step (6) to said minimum capitalization value and, if said average value for said machine type of said acquired asset is greater than or equal to said minimum capitalization value, classifying said asset as a capital asset and, if said average value for said machine type of said acquired asset is less than said minimum capitalization value, classifying said asset as an expensed asset".

With respect to the dependent claims 2-8 and 10-18, they distinguish over the prior art of record for at least all of the reasons discussed above in connection with the independent claims. The other reference, Owen, does not contain the teachings that are lacking from IA and O'Brien discussed above.

Accordingly, all of the claims patentably distinguish over the prior art of record.

In view of the foregoing amendments and remarks, this application is now in condition for allowance. Applicant respectfully requests the Examiner to issue a Notice of Allowance at the earliest possible date. The Examiner is invited to contact Applicant's undersigned counsel by telephone call in order to further the prosecution of this case in any way.

Respectfully submitted,

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/Theodore Naccarella/
Theodore Naccarella, Reg. No. 33,023
Synnestvedt & Lechner LLP
2600 Aramark Tower
1101 Market Street
Philadelphia, PA 19107
Telephone: (215) 923-4466
Facsimile: (215) 923-2189

TXN:pmf